

**63H-7-101. Title.**

This chapter is known as the "Utah Communications Authority Act."

Renumbered and Amended by Chapter 320, 2014 General Session

**63H-7-102. Purpose.**

The purpose of this chapter is to establish an independent state agency and a board to administer the creation, administration, and maintenance of the Utah Communications Authority to provide a public safety communications network, facilities, and 911 emergency services on a statewide basis for the benefit and use of public agencies, and state and federal agencies.

Renumbered and Amended by Chapter 320, 2014 General Session

**63H-7-103. Definitions.**

As used in this chapter:

(1) "Authority" means the Utah Communications Authority, an independent state agency created in Section 67H-7-201.

(2) "Board" means the Utah Communications Authority Board created in Section 67H-7-203.

(3) "Bonds" means bonds, notes, certificates, debentures, contracts, lease purchase agreements, or other evidences of indebtedness or borrowing issued or incurred by the authority pursuant to this chapter.

(4) "Communications network" means:

(a) a regional or statewide public safety governmental communications network and related facilities, including real property, improvements, and equipment necessary for the acquisition, construction, and operation of the services and facilities; and

(b) 911 emergency services, including radio communications, microwave connectivity, FirstNet coordination, and computer aided dispatch system.

(5) "FirstNet" means the First Responder Network Authority created by Congress in the Middle Class Tax Relief and Job Creation Act of 2012.

(6) "Lease" means any lease, lease purchase, sublease, operating, management, or similar agreement.

(7) "Local entity" means a county, city, town, local district, special service district, or interlocal entity created under Title 11, Chapter 13, Interlocal Cooperation Act.

(8) "Member" means a public agency which:

(a) adopts a membership resolution to be included within the authority; and

(b) submits an originally executed copy of an authorizing resolution to the authority's office.

(9) "Member representative" means a person or that person's designee appointed by the governing body of each member.

(10) "Public agency" means any political subdivision of the state, including cities, towns, counties, school districts, local districts, and special service districts, dispatched by a public safety answering point.

(11) "Public safety answering point" means an organization, entity, or combination of entities which have joined together to form a central answering point for the receipt, management, and dissemination to the proper responding agency, of emergency and nonemergency communications, including 911 communications, police, fire, emergency medical, transportation, parks, wildlife, corrections, and any other governmental communications.

(12) "State" means the state of Utah.

(13) "State representative" means the six appointees of the governor or their designees and the Utah State Treasurer or his designee.

Renumbered and Amended by Chapter 320, 2014 General Session

**63H-7-201. Establishment of the Utah Communications Authority.**

(1) There is established the Utah Communications Authority, formerly known as the Utah Communications Agency Network, which shall assume the operations of the Utah Communications Agency Network and shall perform the functions as provided in this chapter.

(2) The Utah Communications Authority is an independent state agency and not a division within any other department of the state.

(3) The initial offices of the authority shall be in Salt Lake County, but branches of the office may be established in other areas of the state upon approval of the board.

Renumbered and Amended by Chapter 320, 2014 General Session

**63H-7-202. Powers of the Authority.**

The authority shall have the power to:

(1) sue and be sued in its own name;

(2) have an official seal and power to alter that seal at will;

(3) make and execute contracts and all other instruments necessary or convenient for the performance of its duties and the exercise of its powers and functions under this chapter, including contracts with private companies licensed under Title 26, Chapter 8a, Utah Emergency Medical Services System Act;

(4) own, acquire, construct, operate, maintain, and repair a communications network, and dispose of any portion of it;

(5) borrow money and incur indebtedness;

(6) issue bonds as provided in this chapter;

(7) enter into agreements with public agencies, the state, and federal government to provide communications network services on terms and conditions it considers to be in the best interest of its members;

(8) acquire, by gift, grant, purchase, or by exercise of eminent domain, any real property or personal property in connection with the acquisition and construction of a communications network and all related facilities and rights-of-way which it owns, operates, and maintains;

(9) contract with other public agencies, the state, or federal government to provide public safety communications services in excess of those required to meet the

needs or requirements of its members and the state and federal government if:

(a) it is determined by the board to be necessary to accomplish the purposes and realize the benefits of this chapter; and

(b) any excess is sold to other public agencies, the state, or federal government and is sold on terms that assure:

(i) that the excess services will be used only for the purposes and benefits authorized by the authority under Section 63H-7-102; and

(ii) that the cost of providing the excess service will be received by the authority;

(10) provide and maintain the public safety network for all state and local governmental agencies:

(a) within the current authority network for the state and local governmental agencies that currently subscribe to the authority;

(b) outside of the current authority network for state and local governmental agencies that do not currently subscribe to the authority; and

(c) in a manner that:

(i) promotes high quality, cost effective services; and

(ii) evaluates the benefits, costs, existing facilities and equipment, and services of public and private providers;

(11) maintain the current VHF high-band network;

(12) review, approve, disapprove, or revise recommendations made by the Utah 911 Committee regarding the expenditure of funds under Sections 69-2-5.5 and 69-2-5.6; and

(13) perform all other duties authorized by this chapter.

Renumbered and Amended by Chapter 320, 2014 General Session

**63H-7-203. Board established -- Terms -- Vacancies.**

(1) There is created the "Utah Communications Authority Board."

(2) The board shall consist of the following individuals:

(a) the member representatives elected as follows:

(i) one representative elected from each county of the first and second class, who:

(A) is in law enforcement, fire service, or a public safety answering point; and

(B) has a leadership position with public safety communication experience;

(ii) one representative elected from each of the seven associations of government who:

(A) is in law enforcement, fire service, or a public safety answering point; and

(B) has a leadership position with public safety communication experience;

(iii) one representative of the Native American tribes elected by the representative of tribal governments listed in Subsection 9-9-104.5(2);

(iv) one representative elected by the Utah National Guard;

(v) one representative elected by an association that represents fire chiefs;

(vi) one representative elected by an association that represents sheriffs;

(vii) one representative elected by an association that represents chiefs of police; and

(viii) one member elected by the Utah 911 Committee created in Section 63H-7-302; and

(b) seven state representatives appointed in accordance with Subsection (3).

(3) (a) (i) Six of the state representatives shall be appointed by the governor, with two of the positions having an initial term of two years, two having an initial term of three years, and one having an initial term of four years.

(ii) Successor state representatives shall each serve for a term of four years.

(iii) The six governor-appointed state representatives shall consist of:

(A) the executive director of the Utah Department of Transportation or the director's designee;

(B) the commissioner of public safety or the commissioner's designee;

(C) the executive director of the Department of Natural Resources or the director's designee;

(D) the executive director of the Department of Corrections or the director's designee;

(E) the chief information officer of the Department of Technology Services, or the officer's designee; and

(F) the executive director of the Department of Health or the director's designee.

(b) The seventh state representative shall be the Utah State Treasurer or the treasurer's designee.

(c) A vacancy on the board for a state representative shall be filled for the unexpired term by appointment by the governor.

(4) (a) (i) One-half of the positions for member representatives selected under Subsection (2) shall have an initial term of two years and one-half of the positions shall have an initial term of four years.

(ii) Successor member representatives of the board shall each serve for a term of four years, so that the term of office for six of the member representatives expires every two years.

(b) The member representatives of the board shall be removable, with or without cause, by the entity that selected the member. A vacancy on the board for a member representative shall be filled for the unexpired term by the entity the member represents.

(5) The board shall elect annually one of its members as chair.

(6) The board shall meet on an as-needed basis and as provided in the bylaws.

(7) The board shall also elect a vice chair, secretary, and treasurer to perform those functions provided in the bylaws.

(a) The vice chair shall be a member of the board.

(b) The secretary and treasurer need not be members of the board, but shall not have voting powers if they are not members of the board.

(c) The offices of chair, vice chair, secretary, and treasurer shall be held by separate individuals.

(8) Each member representative and state representative shall have one vote, including the chair, at all meetings of the board.

(9) A constitutional majority of the members of the board constitutes a quorum. A vote of a majority of the quorum at any meeting of the board is necessary to take

action on behalf of the board.

Renumbered and Amended by Chapter 320, 2014 General Session

**63H-7-204. Board -- Powers and duties.**

The board shall:

- (1) manage the affairs and business of the authority consistent with this chapter including adopting bylaws by a majority vote of its members;
- (2) appoint an executive director to administer the authority;
- (3) receive and act upon reports covering the operations of the communications network and funds administered by the authority;
- (4) ensure that the communications network and funds are administered according to law;
- (5) examine and approve an annual operating budget for the authority;
- (6) receive and act upon recommendations of the chair;
- (7) recommend to the governor and Legislature any necessary or desirable changes in the statutes governing the communications network;
- (8) develop broad policies for the long-term operation of the authority for the performance of its functions;
- (9) make and execute contracts and other instruments on behalf of the authority, including agreements with members and other entities;
- (10) authorize the borrowing of money, the incurring of indebtedness, and the issuance of bonds as provided in this chapter;
- (11) adopt rules consistent with this chapter for the management of the communications network in order to carry out the purposes of this chapter, and perform all other acts necessary for the administration of the communications network;
- (12) exercise the powers and perform the duties conferred on it by this chapter;
- (13) provide for audits of the authority;
- (14) establish a division within the authority for radio network services;
- (15) establish an office within the authority for a statewide interoperability coordinator; and
- (16) establish an office within the authority for a 911 program manager.

Renumbered and Amended by Chapter 320, 2014 General Session

**63H-7-205. Executive director -- Powers and duties.**

The executive director shall:

- (1) act as the executive officer of the authority;
- (2) administer the various acts, systems, plans, programs, and functions assigned to the office;
- (3) with the approval of the board, develop and make administrative rules which are within the authority granted by this title for the administration of the authority;
- (4) recommend to the board any changes in the statutes affecting the authority;
- (5) recommend to the board an annual administrative budget covering administration, management, and operations of the communications network and, upon

approval of the board, direct and control the subsequent expenditures of the budget; and

(6) within the limitations of the budget, employ staff personnel, consultants, a chief financial officer, and legal counsel to provide professional services and advice regarding the administration of the authority.

Renumbered and Amended by Chapter 320, 2014 General Session

**63H-7-301. 911 program manager.**

(1) There is created within the authority the 911 program manager.

(2) The 911 program manager shall:

(a) be appointed by the executive director:

(i) based on the recommendation of the Utah 911 Committee; and

(ii) with the approval of the board; and

(b) provide staff services to the Utah 911 Committee created in Section 63H-7-302.

Enacted by Chapter 320, 2014 General Session

**63H-7-302. Utah 911 Committee.**

(1) There is created within the authority the Utah 911 Committee consisting of the following members:

(a) one representative from a primary public safety answering point from each county of the first and second class;

(b) one representative from a primary public safety answering point representing each of the following:

(i) Bear River Association;

(ii) Uintah Basin Association;

(iii) South East Association;

(iv) Six County Association;

(v) Five County Association;

(vi) Mountainlands Association; and

(vii) Wasatch Front Regional Council;

(c) two representatives from the Department of Public Safety:

(i) one of whom represents an urban Utah public service answering point; and

(ii) one of whom represents a rural Utah public safety answering point; and

(d) the statewide interoperability coordinator, created in Section 63H-7-309.

(2) (a) Each committee member shall be appointed as follows:

(i) a member described in Subsection (1)(a) shall be appointed by the governor from a nominee or nominees submitted to the governor by the council of government for that member's county;

(ii) the seven members described in Subsection (1)(b) shall be appointed by the governor from a nominee or nominees submitted to the governor by the associations described in Subsection (1)(b) as follows:

(A) the seven associations shall select by lot the first five associations to begin

the rotation of membership as required by Subsection (2)(b)(i); and

(B) as each association is represented on the committee in accordance with Subsection (2)(b)(i), that association shall select the person to represent it on the commission; and

(iii) the members described in Subsections (1)(c) and (d) shall be appointed by the governor.

(b) The term of office of each member is four years.

(c) No member of the committee may serve more than two consecutive four-year terms.

(d) Each mid-term vacancy shall be filled for the unexpired term in the same manner as an appointment under Subsection (2)(a).

(3) (a) Committee members shall elect a chair from their number and establish rules for the organization and operation of the committee, with the chair selected by representatives from Subsections (1)(a), (b), and (c) every year.

(b) Staff services to the committee shall be provided by the authority.

(c) Funding for staff services shall be provided with funds approved by the board from those identified under Section 63H-7-306.

(4) (a) No member may receive compensation or benefits for the member's service on the committee.

(b) A member is not required to give bond for the performance of official duties.

(5) A majority of the committee constitutes a quorum for voting purposes.

Renumbered and Amended by Chapter 320, 2014 General Session

**63H-7-303. Committee's duties and powers.**

(1) The committee shall:

(a) review and make recommendations to the board, public safety answering points, and the Legislature on:

(i) technical, administrative, fiscal, and operational issues for the implementation of unified statewide 911 emergency services;

(ii) technology and standards for the implementation of unified statewide 911 emergency services;

(iii) emerging technological upgrades;

(iv) expenditures by local public safety answering points to assure implementation of unified statewide 911 emergency services and standards of operation; and

(v) mapping systems and technology necessary to implement the unified statewide 911 emergency services;

(b) administer the program funded by the Unified Statewide 911 Emergency Service Account as provided in this part;

(c) administer the program funded by the Computer Aided Dispatch Restricted Account created in Section 63H-7-310;

(d) assist as many local entities as possible, at their request, to implement the recommendations of the committee; and

(e) fulfill all other duties imposed on the committee by the Legislature by this

part.

(2) The committee may recommend to the board to sell, lease, or otherwise dispose of equipment or personal property purchased, leased, or belonging to the board that is related to:

- (a) unified statewide 911 emergency service;
- (b) the computer aided dispatch system; or
- (c) funds expended from the restricted account created in Sections 69-2-5.5 and 69-2-5.6, the proceeds from which shall return to the respective restricted accounts.

(3) The committee may make recommendations to the board to own, operate, or enter into contracts for unified statewide 911 emergency services and a computer aided dispatch system.

(4) (a) The committee shall review information regarding:

(i) in aggregate, the number of service subscribers by service type in a political subdivision;

- (ii) 911 delivery network costs;
- (iii) public safety answering point costs;
- (iv) system engineering information; and
- (v) a computer aided dispatch system.

(b) In accordance with Subsection (4)(a) the committee may request:

(i) information as described in Subsection (4)(a)(i) from the Utah State Tax Commission; and

(ii) information from public safety answering points connected to the computer aided dispatch system.

(c) The information requested by and provided to the committee under Subsection (4) is a protected record in accordance with Section 63G-2-305.

(5) The committee shall make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to administer the program funded by the restricted account created in Section 63H-7-304 including rules that establish the criteria, standards, technology, and equipment that a local entity or state agency must adopt in order to qualify for funds from the restricted account.

(6) The committee shall make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to administer the restricted account created in Section 63H-7-310, including rules that establish the criteria, standards, technology, and equipment that a local entity or state agency must adopt in order to qualify as a recipient of a computer aided dispatch system.

(7) The committee may employ an outside consultant to:

- (a) study and advise on the issue of public safety answering points; and
- (b) advise the committee regarding:
  - (i) public safety communications and other issues regarding unified state 911 emergency services;
  - (ii) computer aided dispatch system consolidation; and
  - (iii) consolidation of public safety answering points by county or region.

(8) This section does not expand the authority of the Utah State Tax Commission to request additional information from a telecommunication service provider.



Renumbered and Amended by Chapter 320, 2014 General Session

**63H-7-304. Creation of Unified Statewide 911 Emergency Service Account.**

(1) There is created a restricted account within the General Fund known as the "Unified Statewide 911 Emergency Service Account," consisting of:

- (a) proceeds from the fee imposed in Section 69-2-5.6;
- (b) money appropriated or otherwise made available by the Legislature; and
- (c) contributions of money, property, or equipment from federal agencies, political subdivisions of the state, persons, or corporations.

(2) The money in this restricted account shall be used exclusively for the following statewide public purposes:

- (a) enhancing public safety as provided in this chapter; and
- (b) providing unified statewide 911 emergency service available to public safety answering points.

Renumbered and Amended by Chapter 320, 2014 General Session

**63H-7-305. Committee expenses -- Committee responsibilities.**

(1) Subject to appropriation, expenses and the costs of administering disbursements from the restricted account, as provided in Subsection (2), shall be paid from the restricted account.

(2) (a) The committee shall be responsible for the care, custody, safekeeping, collection, and accounting for disbursements made by the committee under the provisions of Section 63H-7-306.

(b) Subject to appropriation, the Division of Finance may charge the restricted account the administrative costs incurred in discharging the responsibilities imposed by Section 63H-7-306.

Renumbered and Amended by Chapter 320, 2014 General Session

**63H-7-306. Use of money in restricted account -- Criteria -- Division of Finance responsibilities.**

(1) (a) Subject to an annual legislative appropriation from the restricted account to the Division of Finance, the Division of Finance shall disburse the money in the fund for the benefit of a public agency in accordance with this Subsection (1) and Subsection (2).

(b) The committee shall administer the program and forward to the Division of Finance the committee's authorization for disbursement from the restricted account in accordance with this section.

(c) The committee shall:

(i) disburse on behalf of public agencies an amount not to exceed the per month fee levied on telecommunications service under Section 69-2-5.6 for installation, implementation, and maintenance of unified statewide 911 emergency services and technology; and

(ii) in addition to any money under Subsection (1)(c)(i), disburse on behalf of counties of the third through sixth class the amount dedicated for rural assistance, which is at least 3 cents per month levied on 911 emergency service under Section 69-2-5.6 to:

(A) enhance the 911 emergency services with a focus on areas or counties that do not have 911 emergency services; and

(B) where needed, assist the counties, in cooperation with private industry, with the creation or integration of wireless systems and location technology in rural areas of the state.

(d) The committee shall reimburse the state's Automated Geographic Reference Center in the Division of Integrated Technology of the Department of Technology Services, an amount equal to 1 cent per month levied on telecommunications service under Section 69-2-5.6 to enhance and upgrade digital mapping standards for unified statewide 911 emergency service as required by the committee.

(2) Beginning July 1, 2014, the committee may not authorize disbursements and the Division of Finance may not disburse the money in the restricted account on behalf of an entity unless the entity has the capability to receive Internet protocol based 911 emergency service.

Renumbered and Amended by Chapter 320, 2014 General Session

**63H-7-307. Committee to report annually.**

(1) The committee shall submit an annual report to the Executive Offices and Criminal Justice Appropriations Subcommittee, which shall include:

(a) the total aggregate surcharge collected by local entities and the state in the last fiscal year under Sections 69-2-5 and 69-2-5.6;

(b) the amount of each disbursement from the restricted account;

(c) the recipient of each disbursement and describing the project for which money was disbursed;

(d) the conditions, if any, placed by the committee or the Division of Finance on disbursements from the restricted account;

(e) the planned expenditures from the restricted account for the next fiscal year;

(f) the amount of any unexpended funds carried forward;

(g) a cost study to guide the Legislature towards necessary adjustments of both the Unified Statewide 911 Emergency Service Account and the monthly emergency services telephone charge imposed under Section 69-2-5; and

(h) a progress report of local government implementation of 911 emergency services including:

(i) a fund balance or balance sheet from each agency maintaining its own emergency telephone service fund;

(ii) a report from each public safety answering point of annual call activity separating wireless and land-based 911 call volumes; and

(iii) other relevant justification for ongoing support from the Unified Statewide 911 Emergency Service Account created by Section 63H-7-304.

(2) (a) The committee may request information from a local entity as necessary

to prepare the report required by this section.

(b) A local entity imposing a levy under Section 69-2-5 or receiving a disbursement under Section 63H-7-306 shall provide the information requested pursuant to Subsection (2)(a).

Renumbered and Amended by Chapter 320, 2014 General Session

**63H-7-308. Radio Network Division.**

(1) There is created within the authority the Radio Network Division.

(2) The technical operations manager of the Radio Network Division shall be appointed by the executive director with the approval of the board.

(3) The Radio Network Division shall provide technical staff and support to the authority.

Enacted by Chapter 320, 2014 General Session

**63H-7-309. Office of Statewide Interoperability Coordinator.**

(1) There is created within the authority the Office of the Statewide Interoperability Coordinator.

(2) The executive director shall appoint the statewide interoperability coordinator with the approval of the board.

(3) The Office of the Statewide Interoperability Coordinator shall:

(a) promote wireless technology information and interoperability among local, state, federal, and other agencies;

(b) provide a mechanism for coordinating and resolving wireless communication issues among local, state, federal, and other agencies;

(c) improve data and information sharing and coordination of multijurisdictional responses;

(d) identify opportunities to consolidate infrastructures and technologies;

(e) evaluate current technologies and determine if they are meeting the needs of agency personnel in respective service areas; and

(f) create and maintain procedures for requesting interoperability channels.

Enacted by Chapter 320, 2014 General Session

**63H-7-310. Creation of Computer Aided Dispatch Restricted Account -- Administration -- Use of money.**

(1) There is created a restricted account within the General Fund known as the "Computer Aided Dispatch Restricted Account," consisting of:

(a) proceeds from the fee imposed in Section 69-2-5.5;

(b) money appropriated or otherwise made available by the Legislature; and

(c) contributions of money from federal agencies, political subdivisions of the state, persons, or corporations.

(2) The money in this restricted account shall be used exclusively for the following statewide public purposes:

- (a) enhancing public safety as provided in this chapter; and
  - (b) creating and maintaining a shared computer aided dispatch system
- including:
- (i) a single computer aided dispatch platform that will be selected, maintained, shared, or hosted on a statewide or regional basis;
  - (ii) a single computer aided dispatch platform selected by a county of the first class, when:
    - (A) authorized through an interlocal agreement between the county's two primary public safety answering points; and
    - (B) the county's computer aided dispatch platform is capable of interfacing with the platform described in Subsection (2)(b)(i); and
  - (iii) a statewide computer aided dispatch system data sharing platform to provide interoperability of systems.
- (3) Subject to appropriation, the Division of Finance may charge the administrative costs incurred in discharging the responsibilities imposed by this section.
- (4) (a) Subject to an annual legislative appropriation from the restricted account to the Division of Finance, the Division of Finance shall disburse the money in the fund, based on the authorization of the committee under Subsections (4)(b) and (c).
- (b) The Utah 911 Committee shall administer the development and maintenance of the shared computer aided dispatch system:
- (i) for state agencies and local entities; and
  - (ii) where needed, to assist public agencies with the creation or integration and maintenance of the shared computer aided dispatch system.
- (c) The Utah 911 Committee shall:
- (i) annually report to the Division of Finance the committee's authorized disbursements from the restricted account;
  - (ii) be responsible for the care, custody, safekeeping, collection, and accounting for disbursements; and
  - (iii) submit an annual report to the Executive Offices and Criminal Justice Appropriations Subcommittee, which shall include:
    - (A) the amount of each disbursement from the restricted account;
    - (B) the recipient of each disbursement and a description of the project for which money was disbursed;
    - (C) the conditions, if any, placed by the committee or the Division of Finance on disbursements from the amount appropriated from the restricted account;
    - (D) the planned expenditures from the restricted account for the next fiscal year;
    - (E) the amount of any unexpended funds carried forward; and
    - (F) a progress report of implementation of a statewide computer aided dispatch system.
- (5) (a) The committee may request information from a public safety answering point as necessary to prepare the report required by this section.
- (b) A recipient under this section shall provide the information requested pursuant to Subsection (5)(a).

Enacted by Chapter 320, 2014 General Session

**63H-7-401. Bond authorized -- Payment -- Security -- Liability -- Purpose -- Exemption from certain taxes.**

- (1) The authority may:
  - (a) issue bonds from time to time for any of its corporate purposes provided in Section 63H-7-102;
  - (b) issue refunding bonds for the purpose of paying or retiring bonds previously issued by it;
  - (c) issue bonds on which the principal and interest are payable:
    - (i) exclusively from the income, purchase or lease payments, and revenues of all or a portion of the communications network; or
    - (ii) from its revenues generally.
- (2) Any bonds issued by the authority may be additionally secured by a pledge of any loan, lease, grant, agreement, or contribution, in whole or in part, from the federal government or other source, or a pledge of any income or revenue of the authority.
- (3) The officers of the authority and any person executing the bonds are not liable personally on the bonds.
- (4) (a) The bonds and other obligations of the authority are not a debt of any member or state representative of the authority, and do not constitute indebtedness for purposes of any constitutional or statutory debt limitation or restrictions.
  - (b) The face of the bonds and other obligations shall state the provisions of Subsection (4)(a).
- (5) Any bonds of the authority shall be revenue obligations, payable solely from the proceeds, revenues, or purchase and lease payments received by the authority for the communications network.
- (6) The full faith and credit of any member or state representative may not be pledged directly or indirectly for the payment of the bonds.
- (7) A member or state representative may not incur any pecuniary liability under this chapter until it enters into a service contract, lease, or other financing obligation with the authority. Once a member enters into a service contract, lease, or other financing obligation with the authority, the member shall be obligated to the authority as provided in that contract, lease, or financing obligation.
- (8) A bond or obligation may not be made payable out of any funds or properties other than those of the authority.
- (9) Bonds of the authority are:
  - (a) declared to be issued for an essential public and governmental purpose by public instrumentalities; and
  - (b) together with interest and income, exempt from all taxes, except the corporate franchise tax.
- (10) The provisions of this chapter exempting the properties of the authority and its bonds and interest and income on them from taxation shall be considered part of the contract for the security of bonds and have the force of contract, by virtue of this part and without the necessity of this being restated in the bonds, between the bondholders, including all transferees of the bonds, the authority and the state.

Renumbered and Amended by Chapter 320, 2014 General Session

**63H-7-402. Bonds to be authorized by resolution -- Form -- Sale -- Negotiability -- Validity presumed.**

- (1) Bonds of the authority shall:
  - (a) be authorized by resolution of the board and may be issued in one or more series;
  - (b) bear dates, mature, bear interest rates, be in denominations, be either coupon or registered, carry conversion or registration privileges, have rank or priority, be executed, and be payable; and
  - (c) be subject to terms of redemption, with or without premium, as the resolution or its trust indenture provides.
- (2) The bonds may bear interest at a fixed or variable interest rate as the resolution provides. The resolution may establish a method, formula, or index pursuant to which the interest rate on the bonds may be determined from time to time.
- (3) In connection with the bonds, and on behalf of the authority, the board may authorize and enter into agreements or other arrangements with financial, banking, and other institutions for letters of credit, standby letters of credit, surety bonds, reimbursement agreements, remarketing agreements, indexing agreements, tender agent agreements, and other agreements to secure the bonds, to enhance the marketability and creditworthiness of the bonds, to determine a fixed or variable interest rate on the bonds, and to pay from any legally available source, including the proceeds of the bonds, of fees, charges, and other amounts coming due with respect to any such agreements.
- (4) The bonds may be sold at public or private sale in a manner and at prices, either at, in excess of, or below par value as provided by resolution of the board.
- (5) If members or officers of the authority whose signatures appear on bonds or coupons cease to be members or officers before the delivery of the bonds, their signatures are valid and sufficient for all purposes.
- (6) Any bonds issued under this part are fully negotiable.
- (7) In any suit, action, or proceeding involving the validity or enforceability of any bond of the authority or the security for it, any bond reciting in substance that it has been issued by the authority to aid in financing the communications network shall be conclusively considered to have been issued for such purposes, and the communications network shall be conclusively considered to have been planned, located, and carried out in accordance with this part.

Renumbered and Amended by Chapter 320, 2014 General Session

**63H-7-403. Bonds and other obligations -- Additional powers of the authority.**

In connection with the issuance of bonds or the incurring of obligations under leases, and in order to secure the payment of bonds or obligations, the authority, in addition to its other powers, may:

- (1) pledge all or any part of its gross or net rents, fees, or revenues to which its

right then exists or may accrue in the future;

(2) mortgage all or any part of its real or personal property owned or acquired in the future;

(3) covenant against:

(a) pledging all or any part of its rents, fees, and revenues;

(b) mortgaging all or any part of its real or personal property to which its right or title then exists or accrues in the future;

(c) permitting any lien on its revenues or property;

(d) extending the time for the payment of its bonds or interest on them;

(e) the use and disposition of the money held in the funds in Subsection (7); and

(f) the use, maintenance, and replacement of any or all of its real or personal property;

(4) covenant as to:

(a) bonds to be issued;

(b) the issuance of bonds in escrow or otherwise;

(c) the use and disposition of the bond proceeds;

(d) the insurance to be carried on the property in Subsection (3)(f) and the use and disposition of insurance money; and

(e) the rights, liabilities, powers, and duties arising upon its breach of any covenant, condition, or obligation;

(5) provide for the replacement of lost, destroyed, or mutilated bonds;

(6) covenant for the redemption of the bonds and provide the terms and conditions for their redemption;

(7) create or authorize the creation of special funds for money held for construction or operating costs, debt service, reserves, or other purposes;

(8) prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the number of bondholders of outstanding bonds which must consent to the action, and the manner in which consent shall be given;

(9) covenant and prescribe as to events of default and terms and conditions upon which any or all of its bonds or obligations shall become or may be declared due before maturity, and as to the terms and conditions upon which such declaration and its consequences may be waived;

(10) vest in any obligee of the authority or any specified proportion of them the right:

(a) to enforce the payment of bonds or any covenants securing or relating to the bonds;

(b) after default by the authority to:

(i) take possession of and use, operate, and manage any facilities or any part of it or any funds connected with the facilities and funds, and collect the revenues arising from them; and

(ii) dispose of the facilities and funds in accordance with the agreement with the authority;

(11) provide the:

(a) powers and duties of an obligee and limit the obligee's liabilities; and

(b) terms and conditions upon which the obligees may enforce any covenant or rights securing or relating to the bonds;

(12) exercise all or any part or combination of the powers granted in this chapter;

(13) perform any acts necessary, convenient, or desirable to secure its bonds; and

(14) make any covenants or perform any acts calculated to make the bonds more marketable.

Renumbered and Amended by Chapter 320, 2014 General Session

**63H-7-404. Reserve funds for debt service.**

(1) To assure the continued operation and solvency of the authority for the carrying out of its purpose, the authority may establish reserve funds necessary to secure the payment of debt service on its bonds.

(2) The resolution authorizing the issuance of the bonds shall specify the minimum amount that is required to be on deposit in the reserve funds.

(3) The chair shall annually, on or before December 1, certify to the governor, the director of finance, and to each member the amount, if any, required to restore the funds to their required funding levels.

(4) (a) The governor may request from the Legislature an appropriation of the amount certified in Subsection (3) to restore the reserve funds to their required funding levels or to meet any projected principal or interest payment deficiency. Any amount appropriated shall be repaid to the General Fund of the state in excess of the amounts which the board determines will keep it self-supporting.

(b) The board shall adjust the fees of the members so that the state is repaid for the amount appropriated in Subsection (4)(a) within 18 months after the state has paid the deficit.

(5) The members are jointly responsible for 1/2 the amount certified in Subsection (3) to restore the reserve funds to their required funding levels. The board may request from each member money proportionate to their participation in the network to restore the funding level. Any amount paid by the members shall be proportionally repaid to them from 1/2 of any money in excess of the amounts which the board determines will keep it self-supporting.

Renumbered and Amended by Chapter 320, 2014 General Session

**63H-7-405. Investment of the authority funds.**

The state treasurer shall invest all money held on deposit by or on behalf of the authority. The board may provide advice to the state treasurer concerning investment of the money of the authority.

Renumbered and Amended by Chapter 320, 2014 General Session

**63H-7-406. Publication of notice, resolution, or other proceeding -- Period**



**for contesting.**

(1) The board may provide for the publication of any resolution or other proceedings adopted under this chapter:

- (a) in a newspaper of general circulation within the state; and
- (b) as required in Section 45-1-101.

(2) In case of a resolution or other proceeding providing for the issuance of bonds, the board may, in lieu of publishing the entire resolution or other proceeding, publish a notice of bonds to be issued containing:

- (a) the name of the issuer;
- (b) the purpose of the issue;
- (c) the type of bonds and the maximum principal amount which may be issued;
- (d) the maximum number of years over which the bonds may mature;
- (e) the maximum interest rate which the bonds may bear, if any;
- (f) the maximum discount from par, expressed as a percentage of principal amount, at which the bonds may be sold; and
- (g) the times and place where a copy of the resolution or other proceeding may be examined, which shall be at the principal office of the authority during regular business hours and for a period of at least 30 days after the publication of the notice.

(3) For a period of 30 days after the publication, any person in interest may contest the legality of the resolution or proceeding, any bonds which may be authorized by the resolution or proceeding, or any provision made for the security and payment of the bonds by filing a pleading with the district court for the city in which the authority maintains its principal office.

Renumbered and Amended by Chapter 320, 2014 General Session

**63H-7-501. Property and funds of the authority declared public property -- Exemption from taxes.**

(1) The property and funds of the authority are declared to be public property used for essential public and governmental purposes.

(2) The property and the authority are exempt from all taxes and special assessments of any public body. This tax exemption does not apply to any portion of a project used for a profit-making enterprise.

Renumbered and Amended by Chapter 320, 2014 General Session

**63H-7-502. Term of the authority -- Dissolution -- Withdrawal.**

(1) (a) The authority may be dissolved by an act of the Legislature.

(b) Title to all assets of the authority upon its dissolution shall revert to the members and the state pro rata, based upon the total amount of money paid to the authority by each member or the state for services provided to each by the communications network.

(c) The board is authorized to:

- (i) take any necessary action to dissolve the authority; and
- (ii) dispose of the property of the authority upon its dissolution as provided in

Subsection (1)(b).

(2) (a) Each member may, at any time, withdraw as a member of the authority by delivering to the board a written notice of withdrawal which has been approved by the governing body of the member, except that a member may not withdraw from the authority at any time during which it has an outstanding payment obligation to the authority as a result of having entered into a service contract, lease, or other financial obligation.

(b) Except as provided in Subsection (2)(a), the board shall delete the petitioning member from the membership of the authority as of the date of the board's receipt of the member's notice of withdrawal. The board may not include a member who has given notice of withdrawal in any future obligation of the authority.

Renumbered and Amended by Chapter 320, 2014 General Session

**63H-7-503. Relation to certain acts -- Participation in Risk Management Fund.**

- (1) The Utah Communications Authority is exempt from:
- (a) Title 63J, Chapter 1, Budgetary Procedures Act;
  - (b) Title 63A, Utah Administrative Services Code, except as provided in Section 63A-4-205.5;
  - (c) Title 63G, Chapter 6a, Utah Procurement Code;
  - (d) Title 63G, Chapter 4, Administrative Procedures Act; and
  - (e) Title 67, Chapter 19, Utah State Personnel Management Act.
- (2) The board shall adopt budgetary procedures, accounting, procurement, and personnel policies substantially similar to those from which they have been exempted in Subsection (1).
- (3) Subject to the requirements of Subsection 63E-1-304(2), the administration may participate in coverage under the Risk Management Fund created by Section 63A-4-201.

Renumbered and Amended by Chapter 320, 2014 General Session

**63H-7-504. Annual report to governor and Legislature -- Contents -- Audit by state auditor -- Reimbursement for costs.**

(1) The authority shall, following the close of each fiscal year, submit an annual report of its activities for the preceding year to the governor and the Legislature. Each report shall set forth a complete operating and financial statement of the agency during the fiscal year it covers.

(2) The state auditor shall at least once in each year audit the books and accounts of the authority or shall contract with an independent certified public accountant for this audit. The audit shall include a review of the procedures adopted under the requirements of Subsection 63H-7-503(2) and a determination as to whether the board has complied with the requirements of Subsection 63H-7-503(2).

(3) The authority shall reimburse the state auditor from available money of the authority for the actual and necessary costs of that audit.

Renumbered and Amended by Chapter 320, 2014 General Session